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GENERAL COUNSEL FOR
ROBERT YAQUINTO, JR., CHAPTER 7 TRUSTEE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:	§	
	§	CASE NO. 18-32123-SGJ-7
JRJR33, INC., and	§	CASE NO. 18-32124-SGJ-7
THE LONGABERGER COMPANY	§	
	§	Jointly Administered Under
DEBTORS.	§	Case No. 18-32123-SGJ-7

**TRUSTEE'S SECOND MOTION FOR AUTHORITY
TO OPERATE DEBTORS' WHOLLY OWNED BUSINESS ENTITIES**

NO HEARING WILL BE CONDUCTED HEREON UNLESS A WRITTEN RESPONSE IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT AT 1100 COMMERCE, ROOM 1254, DALLAS, TEXAS 75242-1496 BEFORE CLOSE OF BUSINESS ON **WEDNESDAY, JULY 14, 2021**, WHICH IS AT LEAST TWENTY-ONE (21) DAYS FROM THE DATE OF SERVICE HEREOF.

ANY RESPONSE SHALL BE IN WRITING AND FILED WITH THE CLERK, AND A COPY SHALL BE SERVED UPON COUNSEL FOR THE MOVING PARTY PRIOR TO THE DATE AND TIME SET FORTH HEREIN. IF A RESPONSE IS FILED A HEARING MAY BE HELD WITH NOTICE ONLY TO THE OBJECTING PARTY.

IF NO HEARING ON SUCH NOTICE OR MOTION IS TIMELY REQUESTED, THE RELIEF REQUESTED SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT OR THE NOTICED ACTION MAY BE TAKEN.

**TO THE HONORABLE STACEY G.C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE:**

NOW COMES, Robert Yaquinto, Jr., as Chapter 7 Trustee for the above referenced debtors (the “Trustee”) and files this *Second Motion For Authority to Operate Debtors’ Wholly Owned Business Entities* (the “Motion”). In support of the Motion, the Trustee respectfully states as follows:

1. On June 29, 2018, JRJR33, Inc., (“JRJR33”) and The Longaberger Company, (“Longaberger”) (together with JRJR33, Inc., the “Debtors”) filed voluntary petitions for relief under chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the “Bankruptcy Court”).

2. On September 14, 2018, the Bankruptcy Court entered an order granting joint administration of the Debtors’ bankruptcy cases (the “Bankruptcy Case”). Thereafter, the Bankruptcy Case was converted to a chapter 7 proceeding on October 26, 2018. Robert Yaquinto, Jr. was appointed as the chapter 7 trustee.

3. The Debtors’ schedules reflect that both JRJR33 and Longaberger have several wholly owned business entities. *See* JRJR33’s Schedule A/B at Exhibit A, Case No. 18-32123-SGJ-7 at Dkt. No. 23 and Longaberger’s Schedule A/B at pp. 2-3, Case No. 18-32124-SGJ7 at Dkt. No. 21.

4. Specifically, JRJR33 has seven (7) wholly owned subsidiaries, including: Uppercase Acquisition, Inc., Paperly Inc., Agel Enterprises, Inc.,¹ CVSL TBT, LLC, Spice Jazz, LLC, Happenings Communications, Inc. and CVSL AG.

5. Longaberger has three (3) wholly owned subsidiaries: TMRCL Holding, Co., TMRCL Holding, LLC, and The Longaberger Company Canada.

6. Several of these entities, including Spice Jazz, LLC and Agel Enterprises, Inc. are involved in pending litigation that could significantly affect the bankruptcy estates. Further, the Trustee believes that certain of these entities own assets, including potential causes of action, which are likely property of the bankruptcy estates.

7. On August 13, 2019, pursuant to §§ 721 and 541, the Trustee was granted authority by the Court to exercise the rights of any business entity for which the Debtors hold a 100% ownership interest (“Operating Authority”).² See Exhibit A, *Order Granting Trustee’s Motion for Authority to Operate Debtors’ Wholly Owned Business Entities*, Case No. 18-32123-SGJ-7 at Dkt. No. 167 (the “Order”). The Order granting the Trustee his Operating Authority expires by its terms on August 13, 2021.

8. The Trustee seeks continued Operating Authority for one year from the date of an order granting this Motion. If the Trustee determines, in his business judgment, that a longer period is necessary, he will ask the Court by separate motion to extend his Operating Authority.

9. In exercising Operating Authority, the Trustee will be mindful of the rights of creditors of any business entity that are not also creditors of the Debtors. To the extent there are

¹ JRJR33 owns 99.99% of Agel Enterprises Inc., while the remaining .01% is owned by John Rochon, Jr. Having said this, JRJR33 holds Agel Enterprises Inc. out as a “wholly owned subsidiary,” see Exhibit A, JRJR33’s Schedule A/B at Exhibit C, Case No. 18-32123-SGJ-7 at Dkt. No. 23. Thus, this Motion is specifically intended to include this entity.

² As previously stated, this request specifically includes the authority to exercise the rights of Agel Enterprises, Inc., for which JRJR33 holds a 99.99% ownership interest.

creditors of a wholly owned business entity which are not also creditors of the Debtors, the Trustee will segregate any funds belonging to that entity, or that are derived from the assets of that entity, and will apply those funds to pay creditors of the particular entity before upstreaming any assets to the Debtors' general bankruptcy estates.

10. The Trustee does not seek an order requiring him to take possession of, manage, or otherwise exercise the Debtors' rights, but only authority to do so if, in the Trustee's business judgment, it will benefit the bankruptcy estates.

WHEREFORE, the Trustee respectfully requests that the Court enter an order granting the Motion and authorizing the Trustee to operate any business entity for which the Debtors hold a 100% ownership interest, including the right to manage and control all litigation and the right to liquidate such entities, and granting such other and further relief to which the Trustee may be entitled.

Dated: June 23, 2021.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on June 23, 2021, a true and correct copy of the foregoing document was served via the Court's ECF system on all parties registered to receive electronic notice and served on the attached service list via U.S. Mail.

/s/ Zachary G. Levick
Zachary G. Levick